

Cox and Reese Hearings on Tax Exempt Foundations

Between 1952 and 1954, there were two committees of Congress that investigated the Tax-Exempt Foundations. Eugene E. Cox, Chairman of the first committee died suddenly just before the release of the Final Report. According to written testimony in the record, Cox reviewed and approved at least the first part of the Final Report before he died. In 1954 another committee was established to continue the investigation. The second Committee was chaired by B. Carroll Reese who had been on the Cox Committee. The two committees became known as the Cox and Reese Committees on Tax-Exempt Foundations respectively.

The reports are very large, image copies. Because they are unwieldy, they were broken out by hearing date or subject matter. The segments are in the same order as they are in the report. The page numbers below refer to the page numbers in the full reports for easy reference.

Select Committee to Investigate Tax-Exempt Foundations, November 18, 1952, Eugene E. Cox, Chairman [Full Report 818 pages](#) Cox Committee on Tax-Exempt Foundations



Resolution 561 - authorization for the committee, opening Remarks, history of foundations. Testimony of **Ernest V. Hollis**, Chief of College Administration in the United States Office of Education. Mr. Hollis was a recognized expert on foundations and was asked to testify on that subject.



Statement of **F. Emerson Andrews**, Staff Member, Russell Sage Foundation. He was co-author of a book titled *American Foundations for Social Welfare* published in 1946.

Testimony from **Norman A. Sugarman**, Assistant Commissioner of the Internal Revenue Service. His testimony was on the IRS code and tax exempt organizations. **F. Emerson Andrews** called back to testify for a second time.



Statement of **James Stevens Simmons**, Dean, Harvard School of Public Health called to testify on

philanthropic foundations contribution to medicine and public health.

Testimony from **Dr. Frederick Middlebush** on the impact of Foundations on education. Middlebush was a member of the Board of Trustees of the Carnegie Foundation for the Advancement of Teaching since 1937 to the present which was at the time, 1952. Testimony of **William I. Myers**, Dean, New York State College of Agriculture, Cornell University. Trustee of the Rockefeller Foundation and the General Education Board and of the Carnegie Institute of Washington. He was also a Director of Mutual Life Insurance of New York, Deputy Director of the Federal Reserve Bank of New York and Director of L.C. Smith & Corona Typewriter Co. and Continental Can Co. He was called to testify on the definition of "social science".

Testimony of **Vannevar Bush**, President of the Carnegie Institution of Washington and Trustee of the Carnegie Corporation of New York. Bush was a member of the governing bodies of three educational institutions--Johns Hopkins University, Tufts College, and Massachusetts Institute of Technology. He was also a regent of the Smithsonian Institute. Bush was called to testify on the contributions of foundations to the physical sciences. Bush advocated for government support for the National Science Foundation to be the middleman influence between the government and universities.

Testimony from **Dr. Henry Wriston**, President of Brown University to testify on the contributions and impacts of Foundations on Education. Note: Henry Wriston was also the President of the Council on Foreign Relations (1951-1964). (Wriston's son, Walter



became CEO-Chairman of Citibank / Citigroup.)

Statement and Testimony from **H.**

Rowan Gaither, Jr. Associate Director of the Ford Foundation. The committee wanted to hear about the development of the Ford Foundation particularly in regards to the formulation of policy.

Statement of **Henry Ford II**, Chairman of the Trustees, Ford Foundation, and President of Ford Motor Co. He was called to testify on the history of the Ford Foundation.

Testimony of **Paul G. Hoffman**, President and Director of the Ford Foundation. Mr. Hoffman was the President of Studebaker for 38 years, President from 1935-48. He left Studebaker to become the Administrator of the ECA (Economic Cooperation Administration - to administer the Marshall Plan). He was called to testify as to the nature and purpose of Ford Foundation activities.

Testimony from **Robert M. Hutchins**, Associate Director of the Ford Foundation, former President of the University of Chicago. Includes article from Harper's Magazine, March 1949, titled *Timid Billions-Are the*

Foundations Doing Their Job? (pdf p37). Testimony of **Alvin C. Eurich**, Vice President, Fund for the Advancement of Education, a division of the Ford Foundation. At the creation of the Fund, Paul G. Hoffman described the purpose as follows: "The Fund for Advancement of Education will devote its attention to educational problems at primary, secondary, college and university levels. It will authorize basic studies concerning contemporary goals in education and educational procedures and encourage experimentation for which no machinery or funds are available at present.

Testimony from **Charles Dollard**,



President of the Carnegie Corporation of New York about the Carnegie trusts - endowments "created for philanthropic purposes". Statement of **Russell C. Leffingwell**, Chairman, Board of Trustees, Carnegie Corp of New York. Leffingwell was a lawyer and a banker. He was the Fiscal Assistant Secretary of the Treasury, a partner in JP Morgan & Co. which was liquidated in 1940 and reconstituted as a trust company under the laws of New York. He became a Director and Officer of the corporation and was at present the Vice Chairman of the Board. Leffingwell testified on education and private enterprise. Testimony of **Devereaux C. Josephs**, President, New York Life Insurance Co., Trustee, Carnegie Corp., very brief testimony.



Statement and testimony of **Donald Young**, General Director of the Russell Sage Foundation. Statement of **Malcolm Pratt Aldrich**, President of the Commonwealth Fund. Aldrich was asked to testify on the interests and activities of the Commonwealth Fund. One of their activities was to provide fellowships for British subjects to provide funding for advanced study, research and travel in the U.S. for graduates of British universities, by British journalists, by teachers of American history and affairs at British universities and by civil servants from Great Britain and the British Commonwealth.

Testimony from **Michael Whitney Straight**, President of the William C. Whitney Foundation and from Milton Curtiss Rose, Secretary of the Whitney Foundation. Mr. Straight was also the editor of the New Republic Magazine. Statement of **Marshall Field**, President, the Field Foundation, accompanied by Maxwell Hahn, Director and Secretary, the Field



Foundation. Field was president of an organization called Field Enterprises, publisher of the Chicago Sun-Times, the World Book Encyclopedia, Childcraft, a radio station in Chicago, WJJD, and he held an interest in Simon & Schuster, and in Pocket Book Publishing Co., in New York. He was also a director and member of the executive committee of Marshall Field & Co., a bank in Chicago. The Field Foundation was organized in 1940. Testimony included the thinking behind the founding of the foundation and the activities of the foundation.

Testimony from **Alfred P. Sloan, Jr.** President of the Sloan Foundation. Mr. Sloan worked for General Motors for 35 years, 25 years of which were as CEO. In 1946 he retired from GM and devoted his time to the Sloan Foundation which he organized in 1934. Statement of **Dean Rusk**, President of the Rockefeller Foundation and President of the General Education Board. Mr. Rusk was called to discuss "the blueprint" of the various Rockefeller philanthropies - national and international.

Testimony from Dean Rusk, President of the Rockefeller Foundation and President of the General Education Board - resumed. Testimony of **Chester I. Barnard**, Consultant to the Rockefeller Foundation. Barnard had been a trustee of the Rockefeller Foundation, a member of the executive committee, a member of its finance committee and president for four years ending 1948. Mr. Barnard had been president of New Jersey Bell Telephone Co., Director and organizer of the State Relief Administration for the State of New Jersey. During the war he was president of the United Service Organization (USO), prior to that he was Assistant to the Secretary of the United States Treasury. He was



a member of the Lilienthal Board on the International Control of Atomic Energy and he was a member of the board of the National Science Foundation. Barnard testified as to the utility of private foundations doing things that government can't. Testimony of **John D. Rockefeller, III** in his capacity as trustee of the General Education Board and the Rockefeller Foundation of which, he was also Chairman.

Testimony from **John W. Davis**, Honorary Trustee of the Carnegie Endowment for International Peace. He was a member of the Board of the Carnegie Endowment beginning in 1921 until December 1950 when he retired at which time, he was elected as an honorary trustee. Testimony of **Joseph E. Johnson**, President, Carnegie Endowment for International Peace concerning the foundation, it's purpose and his part in it.

Testimony from **Henry Allen Moe**, Secretary of the Simon Guggenheim Memorial Foundation. Mr. Moe had been the Secretary since it was organized in 1925.

Testimony from **Moses W. Rosenfeld** of Blades & Rosenfeld, Attorneys at Law. The Blades & Rosenfeld law firm were experts in the organization of Foundations having, at the time of the hearing, organized 33 Foundations in the preceding 10 years. Testimony from **Elkan R. Myers**, Associated Jewish Charities of Baltimore, Baltimore, MD. Myers testified on small foundations. Testimony of **J. Benjamin Katzner**, Baltimore, MD also testifying on small foundations. A written correction to the testimony of **Dean Rusk**, Rockefeller Foundation was inserted into the record (pdf p25). A written correction to the testimony of **Paul Hoffman**, Ford Foundation was



inserted into the record (pdf p26). A letter sent to the Committee by **Mr. Solomon Barkin**, Director of Research, Textile Workers Union was inserted into the record.

Statement of **Alfred Kohlberg**, Director of the American-Chinese Policy Association and Officer of the American Jewish League Against Communism. In the past, he had been a member or officer of others including the Institute of Pacific Relations, the American Bureau for Medical Aid to China, the Foreign Policy Association and perhaps others. The Committee re-read the Resolution that created the Committee - Resolution 561 and they voted to create a sub-committee authorizing them to hold hearings to investigate some issues further. (pdf p23). Testimony of **Igor Bogolepov**, a Soviet citizen (defector?). He was a Foreign Service Office for the Soviet Union. He worked in the section that managed the Baltic countries after they were annexed. During WWII, he defected to Germany to help overthrow the Soviet government with the help of the Germans. In 1937, the Soviet government sent him to Spain to fight against Franco. He worked with the Germans to carry out radio propaganda against the Soviet Union. He worked as a delegate to the League of Nations. He got interested in American foundations when he found publications of the Carnegie Endowment for International peace in the Foreign Service Office. After studying all the materials from Carnegie and Rockefeller, he said they revised the conception that Marx preached (communist revolution would be made by the hands of the workers in western countries) to be that the revolution in Western Europe, in the Western World, can be made through the brains of the intellectuals who were very much sympathetic with Communist ideas. He said, "I have to specify that in Europe, France an infiltration into the French intellectual circles, universities, scientific societies, and foreign administration was one of the most important tasks which the Soviet Government, the Communist government, put before itself, so there were two major points of application of all efforts of infiltration and, as I call it, ideological sabotage: The first one was America, and in Europe it was France".



Testimony of **Maurice Malkin**, Consultant with the Immigration and Naturalization Service, United States Department of Justice. Mr. Malkin was a naturalized citizen, born in Russia.



He had been a charter member of the Communist Party in the U.S. (1919). He remained a member until 1937 when he left to function in front organizations until 1939. He was expelled from the Communist Party in 1937 for disagreeing with the Communist International. Testimony of **Manning Johnson**, Consultant, Investigation Section, Immigration and Naturalization Service, Department of Justice. Mr. Johnson was a member of the Communist Party between 1930-1940. Mr. Johnson joined because he thought they could help Negroes obtain equal citizenship - only to find out that they merely use them to carry out the objectives of the Soviet Union.



Testimony of **Louis Francis Budenz**, Member of the Faculty of Fordham University and Seton Hall University. Mr. Budenz had been a secret member of the Communist Party from 1935 until 1945 - except that it was announced in the Daily Worker that he was an open member of the party on October 2, 1935. He was the Managing Editor of the Daily Worker and president of the Freedom of the Press Co., Inc., the corporation devised to control the Daily Worker.

Also, a submission for the record of a letter from the Carnegie Endowment for International Peace concerning the appointment of Mr. Edouard E. Hoerschelmann and circumstances of that appointment.

Testimony of **Ira D. A. Reid**, Professor of Sociology, Haverford College. Mr. Reid had been named as a Communist in the testimony of Louis Francis Budenz (12-23-1952). His testimony was to correct the record. He claimed he was not a Communist and never had been. Mr. Reid had been a member of



the General Education Board (1933-34). Testimony of **Walter Gellhorn**, Englewood, NJ. Mr. Gellhorn was mentioned in the testimony of Louis Budenz as being a Communist. He came to testify to Congress that he was not a Communist and never had been.



Cox Committee questionnaire asking for views on foundations. Comments, Letters, Statements. These are the responses to the questionnaire received by the Committee.

Mr. Raymond B. Fosdick, former President of the Rockefeller Foundation - *The Role of Foundations-in-Society*; Letter from Abraham Flexner (no affiliation given)

Beardsley Ruml - *Notes on Certain Foundation Problems*;

Mark M. Jones, Consulting Economist, *The Place of Foundations*;

J.L. Morrill, President, University of Minnesota

Harlan Hatcher, President, University of Michigan

Laird Bell of Bell, Boyd, Marshall & Lloyd

Frank H. Sparks, President of Wabash College

Charles J. Turch, President of Macalester College

Robert R. Wilson of Standard Oil Co. (Indiana)

Harvie Branscomr, Chancellor of Vanderbilt University

Jervis I. Babb of Lever Bros.

Eawlic N. Griswold, Dean of the Harvard Law School

John W. Nason, President of Swarthmore College



Refutations & Rebuttals.

Henry M. Wriston, President



responding for CFR refuting testimony of Alfred Kohlberg;

Letter from Michael Straight, Editor of the New Republic concerning testimony of Maurice Malkin

Letter from Maurice Malkin correcting the record concerning Michael Straight

Letter from Michael Hahn of The Field Foundation refuting statement by Louis Budenz that Louis S. Weiss, Secretary and Board Member of the Field Foundation was a Communist;

Thomas I. Emerson, Yale University School of Law, refuting the testimony of Louis Budenz that Emerson was a Communist;

Correspondence between Clark Foreman and the Committee concerning testimony of Louis Budenz that Clark Foreman was a Communist;

Letter from LLoyd K. Garrison in defense of Walter Gellhorn concerning the testimony of Louis Budenz that Gellhorn was a Communist;

Statement of Isaac Don Levine concerning press and radio reports on the testimony of Alfred Kohlberg concerning John Foster Dulles, himself, Alger Hiss, Whitaker Chambers and others.

Opening of the hearing, reading of Resolution 217, 83rd Congress, 1st Session. Hearing convened to do a full and complete investigation of tax-exempt foundations to determine if they are using their resources as intended or if they are being used for un-American and subversive activities,





political propaganda or to influence legislation. Rules of procedure and testimony of **Norman Dodd**, Research Director, Special Committee to Investigate Tax Exempt Foundations

Testimony of **Norman Dodd** resumed.

Testimony of **Norman Dodd** resumed. Testimony of **Katherine Casey**, Legal Analyst, Special Committee to Investigate Tax-Exempt Foundations concerning two mimeographed version of Mr. Dodd's report and last minute changes before distribution of the report. Testimony of Norman Dodd resumed. Testimony of **Dr. Thomas Henry Briggs**, Meredith, NH.

Testimony of Dr. **A.H. Hobbs**, Assistant Professor of Sociology, University of Pennsylvania concerning the study of sociology and a book written by Hobbs titled, *Social Problems and Scientism*.

Testimony of Dr. **A.H. Hobbs**, resumed.

Testimony of **Aaron M. Sargent**, Attorney, San Francisco, CA. Issues concerning the Cox Committee, missing documents, Mr. Sargent's prior work on California schools, textbooks, legislation. List of Communist front groups.

Considerable in-fighting between members of the Committee on a host of issues including infiltration by Fabian Socialists. Testimony of **Aaron M. Sargent**, resumed.

Testimony of **Aaron M. Sargent** resumed. (pdf pg 44, list of all officers, directors and trustees for the Carnegie Corporation, 1911-54; for the Carnegie Endowment for International Peace, 1910-54; Carnegie Foundation for the Advancement of Teaching; Trustees (or



Directors) and Officers of the Ford Foundation and its five agencies in specialized fields including the East European Fund, Inc., the Fund for Adult Education, the Fund for the Advancement of Education, the Fund for the Republic, the Intercultural Publications, Inc., and Resources for the Future; The Rockefeller Foundation trustees and principal officers 1913-1954 including divisions of specialized interest - International Health Division, Division of Medical Sciences, Division of Medicine and Public Health, Division of Natural Sciences and Agriculture, Division of Social Sciences, Division of Humanities; Rockefeller General Education Board (1902) trustees and principal officers.) The record includes a study by the Ford Motor Company published in the Corporate Director; reference to UNESCO and education.



Documents of Aaron Sargent inserted into the record for the 05-26-1954 hearing.

Opening, - dissent on the committee, debate and procedural vote. Rep. Pfoz objects to the conduct of the hearings, lack of clarity on the purpose of the hearings, the lack of pre-hearing information on witnesses to testify. Testimony by Internal



Revenue Service Commissioner **T. Coleman Andrews** and the Assistant Commissioner, **Norman A. Sugarman** to discuss the application of tax laws to tax-exempt foundations.



Testimony of **Thomas M. McNiece**, Assistant Research Director, Special Committee to Investigate Tax-Exempt Foundations on the relationship between foundations, education and the government. Chart of functional relationships.

Testimony of **David Nelson Rowe**, Yale University, fellow of the



Rockefeller Foundation etc. He was a research analyst, Special Defense Group, Department of Justice, Special Assistant to the Director of the Bureau of Research and Analysis, OSS. Council on Foreign Relations, USIS, US Consulate, Shanghai, Consultant to USAF, Consultant to Stanford Research Institute. Rowe - expert on the Far East. Hearing record includes the Officers and Trustees of the American Institute of Pacific Relations.



Testimony of Professor **Kenneth Colegrove** concerning investigations into Rockefeller and Carnegie support for the Institute of Pacific Relations after information came to light that the IPR had been taken over by Communists and had become a propaganda arm for them.



Testimony of **Thomas M. McNiece** resumed. Testimony of **Kathryn Casey**, Legal Analyst, Special Committee to Investigate Tax-Exempt Foundations. Includes a statement Summary of Activities of Carnegie Corporation of New York, Carnegie Foundation for the Advancement of Teaching, the Rockefeller Foundation, the Rockefeller General Education Board (pdf p70).



Testimony of **Ken Earl**, Attorney, Lewis, Strong & Earl of Moses Lake, Washington. Mr. Earl was an employee on the staff of the Internal Security Subcommittee and the Immigration Sub-committee in the Senate. Mr. Earl was called to testify concerning what he knew of the League for Industrial Democracy.

Testimony of **Ken Earl** - resumed.
Testimony of **Pendleton Herring**, President Social Science Research Council, accompanied by **Paul Webbink**, Vice President, Social



Science Research Council and **Timothy Pfeiffer**, Attorney, New York City. Herring worked for Carnegie Corp from 1946-48 and he wrote a book titled, *Public Administration and the Public Interest* and a book titled *Presidential Leadership*. The record includes two supplementary statements on behalf of the Social Science Research Council (pdf p47). Another document inserted into the record titled *Types of Questions Considered by SSRC Committees* (pdf p60).

Testimony of **Pendleton Herring**, President Social Science Research Council, accompanied by **Paul Webbink**, Vice President, Social Science Research Council and **Timothy Pfeiffer**, Attorney, New York City - resumed.



Notice, June 18 hearing canceled due to the death of Representative Farrington of Hawaii. (It's unclear whether or not the death was related to the Reese Hearing on Tax Exempt Foundations. One would think not except for the statement made by Chairman Reese when he notified the committee of the postponement. pdf p29).

Resolution of the Committee:

"Now be it resolved that in lieu of further public hearings and in order to expedite the investigation and to develop the facts in an orderly and impartial manner, those foundations and others whose testimony the committee had expected to hear orally be requested to submit to the committee through its counsel within 15 days sworn written statements of pertinence and reasonable length for introduction into the record--such statements to be made available to the



press--and that the committee proceed with the collection of further evidence and information through means other than public hearings".

Pursuant to the resolution of the committee on July 2, 1954... staff report by Kathryn Casey, legal analyst, on the Carnegie and Rockefeller Foundations incorporated into the record. Title: *Summary of Activities of Carnegie Corp. of New York, Carnegie Endowment for International Peace, the Rockefeller Foundation.*

